

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
OCTOBER 16, 2019**

ITEM 5

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION TO AMEND THE
PROPOSITION 1 STORM WATER GRANT PROGRAM GUIDELINES FOR THE
ROUND 2 FUNDING SOLICITATION

DISCUSSION

The *Water Quality, Supply, and Infrastructure Improvement Act of 2014* (Proposition 1), was approved by California voters on November 4, 2014. Proposition 1 authorized \$200 million to the State Water Resources Control Board (State Water Board) to provide competitive grant funds to public agencies, nonprofit organizations, public utilities, state and federally recognized Indian tribes, and mutual water companies for multi-benefit storm water management projects (Wat. Code, § 79747).

After accounting for bond and program administration costs, there was a total of approximately \$186 million available for qualifying planning and implementation projects. The Proposition 1 Storm Water Grant Program (SWGP) Guidelines (Guidelines) were initially adopted by the State Water Board on December 15, 2015 ([Resolution No. 2015-0076](#)). The Guidelines outline the process to solicit applications, criteria to evaluate and select eligible proposals, and requirements that apply to funded projects. In addition, the Guidelines also allowed the use of remaining funds from Propositions 13, 40, 50, and 84 to be administered through the Proposition 1 SWGP solicitation and selection process.

Division of Financial Assistance (DFA) staff have completed the evaluation of proposals and the award of funds for the first round of funding (Round 1) for planning and implementation projects. In anticipation of the second round of funding (Round 2) for implementation projects only, to occur in late 2019, staff have proposed amendments to the Guidelines to: provide clarifications regarding funding eligibility, make changes to the solicitation process and scoring criteria, clarify how the maximum funding amount will be applied, and update general program requirements. The Guidelines adopted on December 15, 2015 will remain in effect for projects funded in Round 1.

A draft version of the amendments was released to the public on August 19, 2019. DFA staff also conducted an informational webinar on September 16, 2019 to present the draft amended Guidelines and solicit feedback. Written public comments were due at noon on September 20, 2019.

DFA staff have considered all comments and made appropriate revisions in preparing the amended Guidelines for State Water Board consideration.

POLICY ISSUE

Should the State Water Board:

1. Adopt the amended Guidelines and authorize the Deputy Director of DFA to make non-substantive changes to the Guidelines?
2. Authorize the Deputy Director of DFA or designee to award grants and execute grant agreements and amendments for routine, non-controversial projects consistent with the amended Guidelines?
3. Authorize the Deputy Director of DFA to utilize funds from projects which are withdrawn or completed under budget to fund additional projects, or augment the scope and budget of projects previously awarded, consistent with the amended Guidelines?
4. Authorize the Deputy Director of DFA to withdraw a grant award if the applicant is non-responsive or the Division has exhausted reasonable efforts to resolve issues that prevent the execution of a grant agreement?
5. Authorize the Deputy Director of DFA to terminate a grant agreement where there is a violation of a material provision of the agreement by the recipient?

FISCAL IMPACT

Proposition 1 provided \$200 million to the State Water Board for multi-benefit storm water management projects. Approximately \$99 million in Proposition 1 grant funds will be available to fund implementation projects during Round 2. Approximately \$13 million of unused or re-appropriated funds from Propositions 13, 40, 50 and 84 will also be available during Round 2.

REGIONAL BOARD IMPACT

Storm water projects in all regions are eligible and all Regional Water Quality Control Boards will be asked to provide staff to assist with the technical review and evaluation of project proposals.

HUMAN RIGHT TO WATER ANALYSIS

The actions proposed under this item are consistent with the established policy of the State recognizing the human right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (human right to water; Water Code section 106.3). The proposed actions are also consistent with [Resolution No. 2016-0010](#), in which the State Water Board adopted the human right to water as a core value and top priority. As directed by the State Water Board in Resolution No. 2016-0010, staff have determined that the proposed actions support the human right to water by providing funding for multi-benefit storm water capture and use projects that will help improve water quality and augment water supply.

STAFF RECOMMENDATION

DFA staff recommends adoption of the proposed resolution.